



Social Entrepreneurship

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I. Discovering some social enterprises



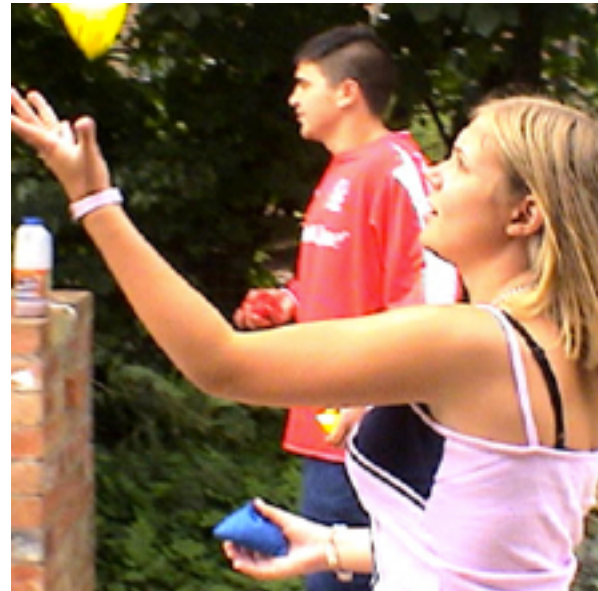
Click on a logo to discover the corresponding social enterprise

Unique

1. The problem

Marginalization is not confined to youth in developing countries: Youth unemployment and other forms of social exclusion have reached “intolerably high levels” in the world’s major industrialized countries (International Labour Organization).

The welfare state is experiencing such a deep crisis in Europe that it is inconceivable that it can be preserved in its current form. But at the same time, the free market alone proves to be incapable of reducing economic and social inequalities. New forms of organization and action must be promoted in order that the objectives of justice and social cohesion may be obtained, both more efficiently and at



2. The strategy

The primary aim is to encourage young people who may be experiencing difficulties in local schools, to re-engage in education and training; helping them to achieve their aspirations.

Unique Coffee Bar also offers the following:

- Support, guidance and advice services
- Alternative Education courses
- Work experience placements
- Activities during school holidays
- Helps reduce anti-social behavior and improve community relations



3. The results

Unique Alternative Education Department : From its inception, Unique has matured into an educational establishment in its own right, offering courses run by staff, not only qualified in their educational field (they all have teacher training certification) but also with skill and first-hand knowledge as qualified Youth Workers. They are trained to support Young People with the situations and difficulties which they experience.

The Unique Work-X accredited work experience course is available to Young People in Year 10 and Year 11 who wish to gain work experience and accreditation within a supportive environment

We provide 25 training places a year for Young People taking part in our work



Water for People - Play Pump International



1. The problem

Lack of access to water is a larger problem in Africa than anywhere else. Of the 25 nations in the world with the greatest percentage of people lacking access to safe drinking water, 19 are in Africa.

Perhaps the greatest cause of Africa's problem of a lack of water is that the continent cannot effectively utilize its resources. Though approximately 4 trillion cubic meters of water is available every year, only about 4% of that is used. The continent and its people lack the technical knowledge and financial resources needed to access their water supplies.



2. The strategy

The mission of PlayPumps International – U.S. (PPI) is to help improve the lives of children and their families by providing easy access to clean drinking water, enhancing public health, and offering play equipment to millions across Africa.

PPI was created to fund new innovations for improving access to safe water in rural communities in Africa. Since its creation, the powerful appeal of the “play and pump” idea, together with compelling images of children at play on our equipment, has contributed greatly to increased awareness of the water crisis.



The water storage tank (*) provides a rare opportunity to advertise in outlying communities. All four sides of the tank are leased as billboards, with two sides for consumer advertising and the other two sides for health and educational messages. The revenue generated by this unique model pays for pump maintenance.

The design of the PlayPump water system makes it highly effective, easy to operate and very economical, keeping costs and maintenance to an absolute minimum.

Capable of producing up to 1,400 liters of water per hour at 16 rpm from a depth of 40 meters, it is effective up to a depth of 100 meter



*

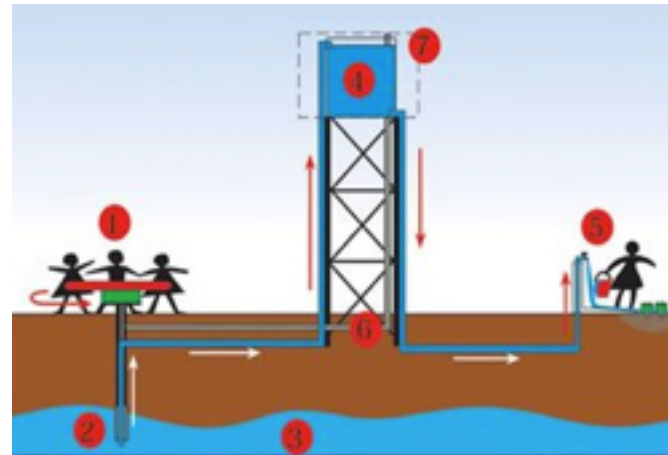




3. The results

While children have fun spinning on the PlayPump merry-go-round (1), clean water is pumped (2) from underground (3) into a 2,500-liter tank (4), standing seven meters above the ground. A simple tap (5) makes it easy for adults and children to draw water. Excess water is diverted from the storage tank back down into the borehole (6).

PlayPumps are now bringing play opportunities and improved access to safe water in hundreds of communities and schools in South Africa, Lesotho, Malawi, Mozambique, Swaziland, and Zambia.



IDEEAS



1. The problem

Two billion people, about 30 percent of the world's population, lack access to electricity. About one billion of them can afford solar energy today at commercial rates -- given their current energy expenditures and provided that they are given the option to rent it or pay it off in installments over several years. Bringing solar energy to a billion people would stimulate economic activity, improve education and health, reduce carbon emissions and relieve stress on the world's overcrowded cities. Given the scope of the need and the size of the market, one might ask: What is stopping the world's energy companies from doing it?



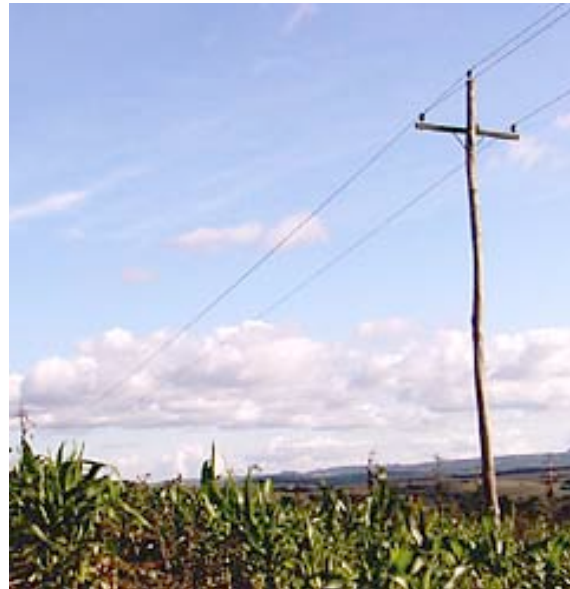


2. The strategy

The short answer is that energy companies have little experience with this market. Simply put, they don't know how to reach these clients cost-effectively. They don't know how to sell to them, or manage them, or service them.

Fabio Rosa first came to the Brazilian state of Rio Grande Do Sol in the early 1980s, when much of the rural population lived without electricity because they could not afford the installation costs.

Using inexpensive materials and simplified construction methods, Rosa's "mono-phase" system -- it uses one wire instead of three -- reduced electrical distribution costs from \$7,000 to \$400 per household. Rosa spread



his system to more than 27,000 people during the late 1980s and early 1990s.

Rosa's distribution system gained national recognition. And, throughout the mid-1990s, Rosa worked with state electrical companies to spread his system, which is called the "025 Norm", to hundreds of thousands of low-income people across rural Brazil.

In 2001, Rosa began exploring a new line of business: renting solar energy to low-income people. During the 1990s, Rosa had built up a social-purpose business, STA Agroetiro, and spent years delivering photovoltaic solar energy to rural dwellers across the country. He found he could make it cost-effective by packaging it with productive tools such as irrigation systems, electric fences and high-yielding organic farming methods.

IDEAAS





3. The results

In Phase I, during the first four years, the business is slated to reach 6,100 rural properties in Rio Grande do Sul. Following that, in Phase II, it will expand to another 6,100 properties in Bahia. After those initial targets, expansion will continue in Rio Grande do Sul and Bahia, where Rosa has identified more than 775,000 properties without electricity.

Rosa has incorporated an internal rate of return of 29 to 30 percent into his pricing calculations to entice foreign investors. The break-even point for Phase I will come at the end of the fourth year, after the initial 6,100 properties have been installed. From that point on, the rental income (minus variable expenses) will contribute to profit. (The solar panels last for 25 years.)



Elevyn



4. The problem

The biggest obstacle for most indigenous craftsmen is not the lack of skill, but lack of access to markets. Those with access often pay unreasonably high fees to middlemen, preventing them from retaining a sufficient percentage of sales as income. Consumers' distrust of many mediators' lack of transparency and high overhead cost diminish their enthusiasm for socially and environmentally friendly products.





5. The strategy

Elevyn's online platform connects craftsmen with global markets in order to empower marginalized communities, enabling rural entrepreneurs to set up online shops and sell their crafts to a global market, while simultaneously channeling a portion of the sales to local non-government organizations.

Elevyn aims to create wealth for marginalized communities by using fair trade online stores as an innovative platform to raise money for social causes. By appealing to the growing number of social conscious buyers via an easily accessible internet store, Elevyn seeks to create a world with less poverty and more cultural preservation.



Devan Singaram was born in Malaysia and grew up in Brunei. After studying Information Technology in Australia, he returned to Malaysia to work for several "dot com" companies. In 2007, he set up Elevyn.com with Mike Tee, a social enterprise company to lift marginalized communities out of poverty.



6. The results

The indigenous craftsmen are the first to benefit from increased incomes earned through direct access to larger markets and freedom from expensive middlemen. Their larger communities benefit from donations to local causes, and customers benefit from reduced prices. Due to the fact that the entrepreneurs choose a local cause to which they will donate a portion of the profits of each product to, this instills socially conscious habits amongst the blossoming entrepreneurs as they grow in self-sufficiency, while consumers feel more connected to their purchases and can track exactly "where their money goes".



Youth Engagement Service



1. The problem

Around 70% of Pakistan's population is currently under the age of 29. Poorly educated, socially excluded, and lacking access to economic and social opportunity, these disenfranchised youth are without channels to contribute their creativity, talent and energy positively and constructively.

Unemployment, lawlessness and poverty drive many into disastrous cycles of violence, drugs and terrorism, causing society to view them as liabilities rather than valuable potential. Such conditions have contributed to a fragmentation of Pakistan's social fabric, unstable economy and destruction of confidence from foreign investors.





2. The strategy

Current government programs and civil society organizations at best only provide services to youth. YES Network is actively engaged in turning victims into leaders, recipients of aid into providers of social services. After holding open forum meetings and advocacy sessions to acquaint the community with the program and sensitize members to its mission, YES provides seed funding as a loan-like-grant (ranging from \$500 to \$1,000) alongside with incubation of social enterprises designed and lead by young Pakistanis. YES requires a 50% payback for the loans after one year and the recovered funds are recycled to increase outreach and reduce dependency.





3. The results

YES Pakistan is currently ready to work with 2,500 individuals and incubate 500 micro-enterprises by 2010.

The micro-enterprises will focus on improving literacy, health services, and ICT usage, having young female entrepreneurs as the core target group; the benefits of these services will extend to the community at large as youth cultivate marketable skills, become more capable of securing jobs, overall employment increases and incentives for violent activity diminish. YES specifically targets young women, who face the greatest barriers to establishing an active role in society. The Network will sensitize communities through advocacy sessions for public and private entities to begin shifting

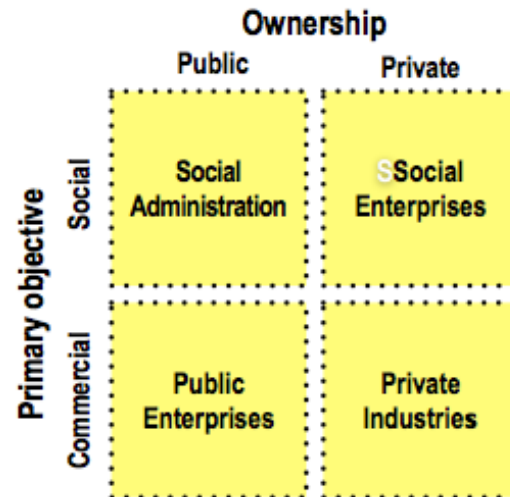


II. Definition

The E.M.E.S. Research Network on the Emergence of Social Enterprise defines social enterprises as follows:

"Organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. They place a high value on their independence and on economic risk-taking related to ongoing socio-economic activity".

Social enterprises are part of the **third sector** or the social economy, understood as embracing non-profit organizations as well as co-operatives and related not-for-profit private forms of enterprises.



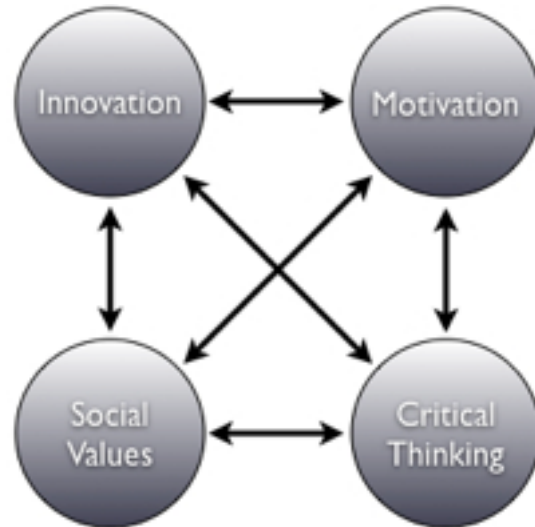
III. Social entrepreneurs

1. Definition

A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change.

A social entrepreneur is a different kind of social leader who:

- Identifies and applies practical solutions to social problems by combining innovation, resourcefulness and opportunity;
- Innovates by finding a new product, a new service, or a new approach to a social problem;
- Focuses first and foremost on social value creation and in that spirit, is willing to



share openly the innovations and insights of the initiative with a view to its wider replication;

- Doesn't wait to secure the resources before undertaking the catalytic innovation;
- Is fully accountable to the constituencies (s)he serves;
- Resists being trapped by the constraints of ideology or discipline;
- Continuously refines and adapts approach in response to feedback; and
- Has a vision, but also a well-thought out roadmap as to how to attain the goal

(Fondation Schwab)



Muhammad Yunus,
founder of the
Grameen Bank



Ann Cotton of
CAMFED



Bunker Roy of
Barefoot College

2. Five key characteristics

According to William Drayton, who is recognized as the individual who first coined the term social entrepreneur, there are five critical characteristics which help us to identify the exceptional personality of a social entrepreneur. These are:

- A powerful new system-changing idea,
- Creativity, both in goal-setting and problem solving,
- Potential for widespread impact,
- Entrepreneurial quality that is required to engineer large-scale systemic social change and
- Strong ethical fibre since significant social change requires those affected to take many leaps of faith which individuals will

not take if they do not innately trust the proponent of such change.

Social entrepreneurs are solution-minded pragmatists who are not afraid to tackle some of the world's biggest problems. Social entrepreneurs use inspiration, creativity, courage, fortitude and, most importantly, direct action, to create a new reality – a new equilibrium – that results in enduring social benefit and a better future for everyone.

IV. Social entrepreneurship

1. The concept

The notion of "social entrepreneurship" has been conceptualized in rather precise ways in the late 1990s. These conceptualisations stress the social innovation processes undertaken by social entrepreneurs : social entrepreneurship is the work of a social entrepreneur.

Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact s/he has on society as well as in profit and return....

The concept of "social entrepreneurship" is increasingly being used in a very broad sense as, for various authors, it now refers to a wide spectrum of initiatives, ranging from

voluntary activism to corporate social responsibility.

Between these two extremes, a lot of categories can be identified: individual initiatives, non-profit organizations launching new activities, public- private partnerships with a social aim etc.

2. Two perspectives

While Americans now tend to stress the "blurred boundaries" among institutional and legal forms as well as the "blended value creation" (profits alongside social value) that characterizes social entrepreneurship, Europeans rather stress the fact that social entrepreneurship most often takes place within the "third sector" (i.e. the private, not-for-profit sector).

Although the work integration of disadvantaged people is often seen in Europe as a major field for social enterprises, the latter also experienced a significant development in a wide range of other areas.

3. Type A and Type B

For instance, from the early 1990s, Italian "A-type" social co-operatives, providing social and personal services, underwent a rapid development and hired thousands of highly skilled professionals in the fields of health care, psychology, mental health care and training.

Indeed, the number of enterprises and jobs created in such services has always been much larger than in "B-type" (work integration) social co-operatives.

In Sweden and in France, childcare services are clearly a major field of activity for social enterprises, which are often set up and managed by parents and professionals as a response to a public provision shortage).

The same can be said of the UK, which also witnesses a fast growth of social enterprises in social housing and home care services, as well as in a wide spectrum of community and social services, including culture, arts and sports. In Belgium and France, the so-called "proximity services" refer to a variety of personal or collective services offered by social enterprises.

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